

Message Text

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71

ACTION EUR-25

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TRSE-00 OMB-01 CIEP-02 CG-00 CIAE-00 DODE-00 PM-07

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FM AMEMBASSY OTTAWA

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AMCONSUL VANCOUVER

AMCONSUL MONTREAL

AMCONSUL TORONTO

AMCONSUL WINNPEG

AMCONSUL ST JOHNS

AMCONSUL HALIFAX

AMCONSUL QUEBEC

UNCLAS OTTAWA 2506

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJECT: COMMONS QUESTIONING ON CANADIAN EMERGENCY OIL SITUATION

FOLLOWING IS EXCERPTED TEXT BASED ON UNEDITED TRANSCRIPT IN HOUSE OF COMMONS QUESTION PERIOD OCTOBER 18, 1973, DEALING WITH POSSIBLE OIL EMERGENCY DUE TO MIDDLE EAST WAR: BEGIN TEXT. MR. STANFIELD (LEADER OF OPPOSITION): I SHOULD LIKE TO ASK THE MINISTER WHETHER HE HAS BEEN IN DIRECT CONTACT WITH THE GOVERNMENTS OF THE ARAB STATES IN THE MIDDLE EAST OR THEIR REPRESENTATIVES TO DISCUSS THE CUTBACK FORMULA THAT HAS BEEN ANNOUNCED. IF SO, CAN HE INFORM THE HOUSE WHETHER IT IS INTENDED BY THOSE STATES THAT THESE CUTBACKS WILL AFFECT CANADIAN SUPPLIES, OR WHETHER THIS POLICY WILL IN FACT AFFECT CANADIAN SUPPLIES? MR.

MACDONALD (ENERGY MINISTER): THE INTERNATIONAL COMMUNITY GENERALLY IS ATTEMPTING TO GET A CLARIFICATION OF THE ANNOUNCE-
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MENT MADE BOTH BY THE ARAB PETROLEUM EXPORTING COUNTRIES AND

THE STATEMENT MADE BY THE OIL MINISTER FOR ABU DHABI REGARDING REDUCTION OF SUPPLIES. AT THIS MOMENT OF SPEAKING WE HAVE NOT HAD A MORE PRECISE INTERPRETATION OF THE OPEC STATEMENT THAT THE OUTPUT REDUCTION WILL NOT AFFECT ANY FRIENDLY STATES WHICH WILL HELP THE ARABS IN A FRUITFUL AND EFFECTIVE MANNER, OR THE STATEMENT OF THE ABU DHABI MINISTER THAT THE CUT-OFF WAS TO THE UNITED STATES AND THAT SIMILAR ACTION WILL BE TAKEN AGAINST ANY STATE WHICH SUPPORTS ISRAEL. AS I SAY, THE INTERNATIONAL COMMUNITY IS SEEKING FURTHER CLARIFICATION OF THIS ANNOUNCEMENT. AS SOON AS WE HAVE ASCERTAINED ITS IMPACT ON CANADA I WILL, OF COURSE, BE HAPPY TO LET THE HOUSE KNOW. MR. GORDON RITCHIE (DAUPHIN): MR. SPEAKER, I HAVE A SUPPLEMENTARY QUESTION FOR THE MINISTER OF ENERGY, MINES AND RESOURCES. IN VIEW OF THE MINISTER'S ATTEMPT TO GET VENEZUELAN ASSURANCE FOR THE SUPPLY OF OIL, IN THE EVENT OF AN ARAB CUTOFF, WILL ANY CANADA-VENEZUELA AGREEMENT OR OFFSHORE AGREEMENT BE OVER-RIDDEN BY OECD WHICH WOULD BE FORCED TO INITIATE WORLDWIDE RATIONING? MR. MACDONALD (ROSEDALE): THE OBJECTIVE OF CANADA, OF COURSE, WOULD BE TO COOPERATE WITH THE OTHER MEMBERS OF OECD IN HAVING THE BEST POSSIBLE ARRANGEMENT TO PROTECT OUR SUPPLIES AS WELL AS THOSE OF OTHER COUNTRIES. THEREFORE, I WOULD HAVE TO SAY THAT ANY ARRANGEMENT WE MAY HAVE DIRECTLY WITH VENEZUELA WOULD BE SUBJECT TO THOSE OTHER ARRANGEMENTS. MR. T.C. DOUGLAS (NANAIMO-COWICHAN-THE ISLANDS): MR. SPEAKER, I WISH TO ASK THE MINISTER A QUESTION ARISING OUT OF HIS STATEMENT MADE OUTSIDE THE HOUSE THAT IT MAY BE NECESSARY TO RESORT TO RATIONING OF PETROLEUM SUPPLIES IN THE EVENT THE ARAB STATES CARRY OUT THEIR POLICY OF RESTRICTING SUPPLIES TO THIS COUNTRY. IN VIEW OF THE FACT THAT CANADA IS A NET EXPORTER OF OIL, QUITE ABLE TO MAINTAIN SUPPLIES FOR ITS OWN PEOPLE, AT LEAST AT THE PRESENT TIME, IS IT THE GOVERNMENT'S INTENTION TO MEET ANY SHORTAGE IN EASTERN CANADA BY CURTAILING TO SOME EXTENT THE EXPORT OF CANADIAN CRUDE AND MAKING IT AVAILABLE, PARTICULARLY WITH REFERENCE TO HOME HEATING FUEL FOR THE EASTERN PART OF CANADA? MR. MACDONALD (ROSEDALE): MR. SPEAKER, THE DIFFICULTY OF THAT SUGGESTION IS THAT THERE IS NOT IN PLACE A DELIVERY SYSTEM TO BRING ANY SUBSTANTIAL QUANTITY OF EITHER REFINED PRODUCTS OR CRUDE FROM ESSENTIALLY THE END OF THE INTERPROVINCIAL PIPELINE TO MONTREAL. AS HONORABLE MEMBERS KNOW, THE GOVERNMENT HAS PROPOSED AN EXTENSION OF THE PIPELINE, BUT THAT UNCLASSIFIED

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HAS NOT BEEN DONE. MR. DOUGLAS: IN VIEW OF THE FACT THAT AS LONG AS THE ST. LAWRENCE RIVER IS OPEN, VERY SUBSTANTIAL QUANTITIES COULD BE MOVED BY BARGE OR AT LEAST BY TRUCK TO MEET AN EMERGENCY SITUATION, HAS ANY FIRM DECISION BEEN REACHED BY THE GOVERNMENT WITH RESPECT TO EXTENDING THE PIPELINE? HAVE THE NECESSARY DISCUSSIONS AND ARRANGEMENTS BEEN COMPLETED AND HOW SOON DOES THE GOVERNMENT INTEND TO PROCEED WITH THIS PROJECT? MR. MACDONALD: WITH REGARD TO THE COMMENT MADE BY

THE HONORABLE MEMBER, WE HAVE DETERMINED IN A VERY MARGINAL SENSE THAT NEITHER BY SHIPMENT ON THE LAKES WHEN THEY ARE OPEN NOR BY RAIL OR TRUCK TRANSPORT COULD SUFFICIENT QUANTITIES BE MOVED TO MEET THE DEMAND. WITH REGARD TO THE SECOND PART, THE HONORABLE MEMBE WILL RECALL THE GOVERNMENT'S DECISION IN PRINCIPLE TO HAVE A PIPELINE EXTENSION TO MONTREAL WAS RESISTED BY CERTAIN OF THE PROVINCIAL GOVERNMENTS. WE NOW HAVE UNDER DISCUSSION WITH THE OFFICIALS OF THE PROVINCE THE POSSIBILITY OF EXTENDING THE PIPELINE. I SUSPECT THAT CURRENT EVENTS WILL PERHAPS HAVE PERSUADED THEM MORE CLOSELY TO OUR CONCERN ABOUT SECURITY. END TEXT.

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